

U.S. Department of Justice
United States Attorney
Western District of New York

Further inquiries: (716) 843-5814

138 Delaware Avenue
Buffalo, New York 14202

PRESS RELEASE

November 23, 2005

FORMER OWNERS OF DELAWARE AVENUE TELEMARKETING COMPANY PLEAD GUILTY TO TELEMARKETING FRAUD

RE: UNITED STATES v. PETER GERACE AND MICHAEL GEIGER

Acting United States Attorney Kathleen M. Mehlretter announced today that Peter G. Gerace Jr., 38, of Buffalo, New York, and Michael J. Geiger, also 38, of Tonawanda, New York pled guilty late this morning before U.S. District Judge William M. Skretny, to conspiring to violate the federal wire fraud statute, in violation of Sections 1343 and 371 of Title 18 of the United States Code.

Assistant U.S. Attorney Anthony M. Bruce, who handled the case, stated that the defendants pled guilty to running Advanced Distributing, which was located at 3109 Delaware Avenue, Kenmore, from late 1992 to February 1995, as a sweepstakes telemarketing company. In operating the company, the defendants had their sales people work off preprinted "pitches" that told the customers they had been selected to participate in a non-existent promotion and enticed them to purchase heavily marked up products through the lure of being "rewarded" for participating in the promotion with a

new Cadillac or a cashiers check ranging from \$2,500 to \$40,000, when in fact the would-be customers had no chance of receiving these "rewards."

Gerace and Geiger each face potential sentences of up to five years in jail and \$250,000 fines when they are sentenced by Judge Skretny on March 10, 2006. In addition, both defendants face the prospect of being ordered to make restitution to Advanced's victims.

The plea was the culmination of an investigation on the part of the Federal Telemarketing Task Force which consisted of agents from the Federal Bureau of Investigation, under the direction of Special Agent in Charge Peter Ahearn, the New York State Police, the Internal Revenue Service, under the direction of Special Agent in Charge Anne Marie Koons, the U.S. Postal Inspection Service, and the United States Secret Service.